# Knoxville's Community Development Corporation



FY 2018 Proposed Operating Budgets





### FY2018 Operating Budgets





### Operating Budget Process

- Collaborative process between Accounting Division, Program Staff and Management
- Accounting Division: Fixed Costs and some Variable Costs
  - Example: Wages, Interest, Insurance
- Program Staff: Variable Costs
  - Example: Administrative, Maintenance, Utilities, Non-routine
- Managerial Review
- Asset Management Model
  - Project-based accounting and budgeting, fee-for-service model
- HUD Board Resolution: Public Housing
- Other Board Resolutions: Central Office Cost Center (COCC), Section 8, Redevelopment, The Manor, Multi-Family Housing and KHDC (separate agenda)



### Public Housing Operating Program

















# Public Housing Properties by FYE 2018 (2,214 units)

- Western Heights ~ 440 units
- Austin Homes ~ 129 units
- Love Towers ~ 249 units
- Taylor Homes ~ 144 units
- Lee Williams ~ 173 units (2 months only; demolition pending)
- Cagle Terrace ~ 274 units
- Northgate Terrace ~ 277 units
- Montgomery Village ~ 380 units
- Isabella Towers ~ 236 units
- Passport Homes ~ 11 units (6 months only)
- Passport Residences LP ~ 50 units-admin only (6 months only)
- Verandas ~ 42 units (6 months only)
- Five Points Multiplexes ~ 17 units (6 months only)
- Eastport School ~ 25 units and Residences at Eastport LP ~60 units -admin only



# Public Housing Operating Subsidy Assumptions

- Subsidy is estimated at \$11,013,400
- Pro-ration was 85% for 2017 Formula
- Pro-ration estimate at 80% for 2018 Formula
  - Revenues include:
    - Subsidy (Property and utility expense level (+) add-ons (-) dwelling rent)
    - Tenant Rent
    - Other Tenant Related Charges
    - Other Income
    - Investment Income
  - Expenses include:
    - Administrative
    - Resident Services
    - Maintenance and Security
    - Utilities
    - Insurance, Other General Expenses, and Capital Replacements



# Public Housing Budget

Revenue \$15,141,590

Expenses \$<u>14,929,720</u>

Subtotal <u>\$211,870</u>

Capital/Non-Routine (\$613,230)

Transfers: RAD conversions (\$5,859,790)

Write-offs: Passport Res. LP Notes (\$2,975,180)

Net Income/(Loss) (\$9,236,330)







- Programs Include 4,040 units:
  - Housing Choice Voucher (3,858 Authorized Units)
  - Project Based Housing Choice Vouchers (127 units included in above totals)
  - Mainstream Vouchers (100 Units)
  - Moderate Rehab Programs (82 units)
- Housing Assistance Payment (HAP) to private landlords of approximately \$21.8M (pass-thru) is not included as part of this operating budget



- Revenue includes:
  - Earned Administrative Fees (3,735 units included in estimated funding; Proration of 77% estimated for 2017 and 2018)
  - Fraud Recovery
  - Grants (Family Self-Sufficiency)
  - Investment Income
  - Other
- Expenses include:
  - Administrative
  - Resident Services
  - Maintenance
  - Insurance/Other



Revenue \$2,074,930

Expenses \$2,074,930

Net Income/(Loss) \$-0-







- Agency overhead broken down into divisions:
  - Executive Management
  - Accounting
  - Human Resources
  - Information Systems
  - Purchasing
  - Housing Management
  - Supportive Maintenance



- Revenues include:
  - Property Management and Bookkeeping Fees
  - Asset Management Fees
  - Fees for Service
  - Excess Energy Savings
  - Investment Income
- Expenses include:
  - Administrative
  - Maintenance
  - Utilities
  - Insurance



Revenue \$4,411,760

Expenses \$4,830,230

Subtotal (\$418,470)

Capital Expenses (25,000)

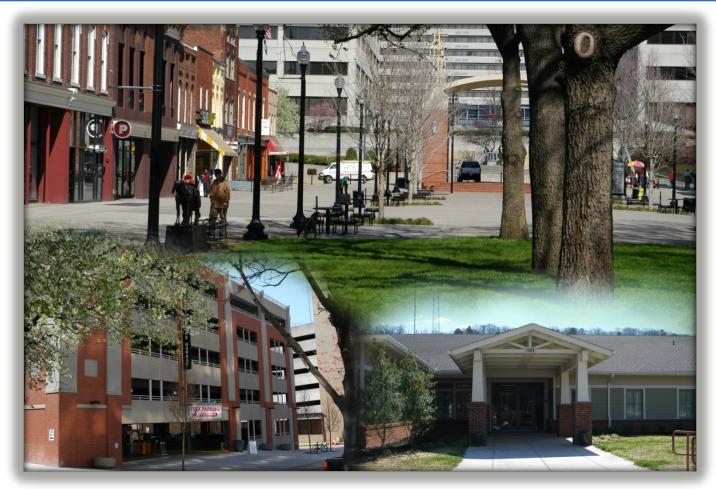
Operating Transfer In:

KHDC \$238,070

MFH \$205,400 443,470



# Knoxville's Housing Development Corporation (KHDC)





# Knoxville's Housing Development Corporation (KHDC)

- Subsidiary corporation created for entrepreneurial development activities
- Primary non-federal funding source
- Revenue includes:
  - Ownership and lease of non-dwelling and dwelling properties:
    - Dollar General Store
    - Head Start Building
    - 22 Dwelling Units from Passport Homes LP
  - Infrastructure Reimbursement Revenue from City of Knoxville
  - Investment and Other Income
- Expenses include:
  - Administrative
  - Maintenance
  - Utilities
  - Interest Expense
  - Insurance



# Knoxville's Housing Development Corporation (KHDC)

Revenue \$394,250

Expenses \$304,190

Subtotal \$90,060

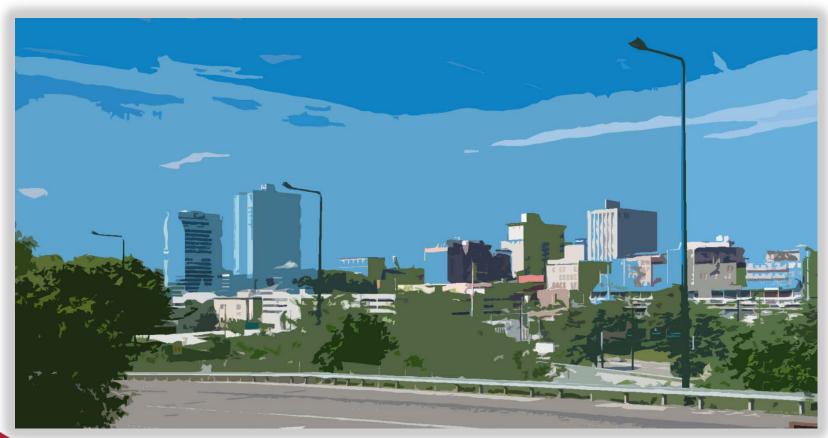
Infrastructure Revenue \$2,350,000

Operating Transfer to COCC (\$238,070)

Net Income/(Loss) \$2,201,990



## Redevelopment





### Redevelopment

- Redevelopment agent for local government and public entities
- All direct billable projects are handled as a pass-thru and are not part of this operating budget
- Revenue includes:
  - Tax Increment Financing (TIF) fees from Knox County
  - Other Fees (i.e., other TIF deals, PILOT, Dev. Fees TTAHC)
  - Billable Overhead
  - Leased Parking Lot Revenue
  - Investment Income
- Expenses include:
  - Administrative Overhead
  - Maintenance
  - Utilities
  - Insurance



### Redevelopment

Revenue \$320,090

Expenses \$123,870

Net Income/(Loss) \$196,220



### The Manor





#### The Manor

- 30 year old supportive living facility located in Northgate Terrace
- 41 available units to eligible residents
- Revenue includes:
  - \$515 Service Fee
    - Resident paid, some scholarships based upon need
    - Fee coverage includes wellness checks, meals, light housekeeping, laundry and personal response system
  - Investment Income
  - Donations
- Expenses include:
  - Administrative
  - Resident services
  - Maintenance
  - Insurance



#### The Manor

Revenue \$270,890

Expenses \$295,500

Net Income/(Loss) (\$24,610)



## Multi-Family Housing

















# Multi-Family Housing Properties by FYE 2018 (433 units; rents for additional 793 units)

- Autumn Landing/Nature's Cove ~ 197 units
- Mechanicsville ~ 48 units (includes 6 mos. initial yr. funds from PH)
- Valley Oaks ~ 48 units (includes 6 mos. initial yr. funds from PH)
- Five Points Sr. Duplexes ~ 20 units (includes 6 mos. initial yr. funds from PH)
- Passport Homes ~ 11 units ( 6 mos. only)
- Passport Residences ~ 50 units (6 mos. only)
- Verandas ~ 42 units (6 mos. only)
- Five Points Multiplexes ~ 17 units (6 mos. only)
- Contract Rents (In and Out) for the following LPs:
  - Five Points 1 LP ~ 90 units

-- North Ridge Crossing LP ~ 268 units

Lonsdale LP ~ 260 units

-- The Vista at Summit Hill LP ~ 175 units

### Multi-Family Housing

- Second year program for properties moving from Public Housing to Section 8 Project Based Rental Assistance (PBRA) via the Rental Assistance Demonstration (RAD) tool.
- Revenues include:
  - Contract Rents (Housing Assistance Payments (HAP) and Tenant Rents)
  - Other Tenant Related Charges
  - Other Income
  - Investment Income
- Expenses include:
  - Administrative
  - Resident Services
  - Maintenance and Security
  - Utilities
  - Insurance and Other General Expenses
  - Replacement Reserves



### Multi-Family Housing

Revenue \$5,167,480

Expenses \$4,710,700

Subtotal \$456,780

Operating Transfer to COCC (\$205,400)

Net Income/(Loss) \$251,380

### **Total Agency Operating Programs**

Revenue \$27,780,990

Expenses \$27,269,140

Net Income/(Loss) \$511,850

FYE 2018 Estimated Reserves \$27,991,170



### **QUESTIONS**



